

FISCAL NOTE

Bill #: SB0248 **Title:** Bonding requirements for oil or gas operations
Primary Sponsor: Stonington, E **Status:** As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:	\$0	\$0
Revenue:	\$0	\$0
Net Impact on General Fund Balance:	\$0	\$0

<input type="checkbox"/> Significant Local Gov. Impact	<input checked="" type="checkbox"/> Technical Concerns
<input type="checkbox"/> Included in the Executive Budget	<input type="checkbox"/> Significant Long-Term Impacts
<input type="checkbox"/> Dedicated Revenue Form Attached	<input type="checkbox"/> Needs to be included in HB 2

Fiscal Analysis

TECHNICAL NOTES:

1. SB 248 implements the responsibility for the Board of Oil and Gas Conservation (BOGC) to require bonding to cover surface reclamation only when the applicant for a drilling permit is not the surface owner. SB 240 redefines "operator" to include mineral owner. If this definition is implemented, the BOGC may no longer have bonding or authority to require surface reclamation to its regulatory standards. A landowner who owns the mineral as well as the surface estate would therefore not have the protection of the State of Montana for surface reclamation activities on their land. The State of Montana owns and manages over six million acres of school trust mineral estate. The ability of the BOGC to exercise regulatory authority to require well operators to reclaim the surface of school trust acreage to acceptable standards would be adversely affected by this bill.